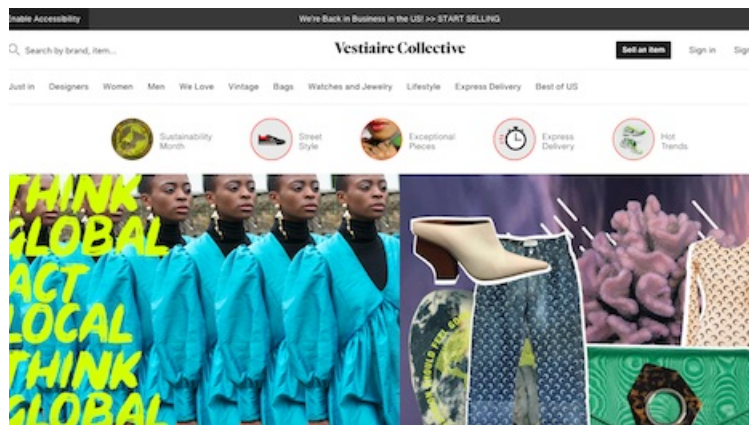


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Fashion resale platform Vestiaire Collective raises \$64M to fuel US, Asia expansion

April 20, 2020



Raising \$64 million in a new round of funding will give online resale platform Vestiaire Collective fuel for expanding to new markets such as Japan and South Korea and extend direct shipping to the United States and Asia. Image credit: Vestiaire Collective

By MICKEY ALAM KHAN

French fashion resale platform Vestiaire Collective has raised \$64 million from existing and new investors to power its global expansion plans and enter new markets.

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The Paris-based company will use the funds to enter the Japanese and South Korean markets this year. It will also bring the direct shipping model to the United States and later to Asia.

"With this new investment round, we look forward to continuing to drive change in the industry and doing our part to further accelerate the already evident shift in consumer behavior towards circular fashion," said Vestiaire Collective cofounder/president Fanny Moizant.

The funding, unprecedented for fashion given the current global lockdown to curb the COVID-19 coronavirus outbreak, speaks to the confidence in the resale model that has players such as The RealReal and **Vestiaire Collective** to own the market for pre-owned fashion retail.

Own the market

The new funding round includes investors Korelya Capital, funds managed by Fidelity International, Vaultier7 and Cuir Invest.

Existing shareholders Eurazeo (Eurazeo Growth & Idinvest Venture funds), Bpifrance, Vitruvian Partners, Cond Nast, Luxury Tech Fund and Vestiaire Collective CEO Max Bittner also reinvested.

The choice of new investors is interesting. Korean tech conglomerate Naver backs Korelya Capital, which will help Vestiaire expand to Japan the largest resale market in the world and South Korea.

Vaultier7 is a specialist women-led consumer fund and Cuir Invest is backed by the French leather industry.

Vestiaire expects the COVID-19 crisis to reorient consumer behavior more toward online shopping with a focus on social values and community. Consumers are also expected shed more items from their wardrobe to free up cash.

Indeed, per a recent McKinsey COVID-19 study, environmental concerns will fuel a more conscious approach to consumption, as 20 percent of consumers expect to lower their clothing consumption following the coronavirus crisis.

While the current lockdown has affected business all round, Vestiaire claims to have seen deposits and orders quickly rebound to the pre-COVID 19 baseline or above.

"During this challenging period, this clearly demonstrates customer demand for circular business models, both now and looking ahead to the future of the rapidly evolving retail landscape," the company said.

Vestiaire currently generates more than 80 percent of its transactions outside France. The extra funding will help crack more markets where it is not visible.

The U.S. is a market that has much potential for Vestiaire.

Going head to head with San Francisco-based [The RealReal](#) and even [Rent the Runway](#), Vestiaire will now export its direct shipping model to the U.S.

First launched in Europe last September, the direct shipping service already accounts for 50 percent of all orders fulfilled in the European Union through the service. The service is growing at a rate of 60 percent month on month, according to Vestiaire.

That model will now be available in the U.S. in early summer, followed by Asia at the end of the year.

BUILDING COMMUNITY is key for the global expansion plan to work as the fashion world looks to an uncertain future post-COVID-19 pandemic. Vestiaire's management thinks it has a lock on its customer base.

"The strength and value of a community has never been more evident, and we plan on growing our own global community of 9 million members and focusing on expansion, especially in Asia, with the support of our existing and new investors," Ms. Moizant said.

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